

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2347

ANSWERED ON:11.03.2016

Educational Loan

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Will the Minister of FINANCE be pleased to state:

whether the Government has introduced a scheme to provide educational loan at lower rate of interest to the students of economically weaker sections of the society, if so, the details thereof;

(b) the rate of interest at which the educational loan is being provided at present;

(c) whether the Non Performing Assets on educational loan are increasing, if so, the details thereof; and

(d) the steps taken/being taken by the Government to easy availability of educational loans to students in this regard?

Answer

(MINISTER OF STATE IN THE MINISTRY OF FINANCE)

(SHRI JAYANT SINHA)

(a) Government of India has launched a Credit Guarantee Fund Scheme for Education Loans (CGFSEL) on 16.09.2015. The Interest Rate charged for loans covered under CGFSEL is maximum upto 2% over the Base Rate.

In addition for the students belonging to economically weaker sections an interest subsidy scheme on educational loans is in place. Under the scheme during the period of moratorium full interest subsidy is available for educational loans disbursed on or after 1st April, 2009.

(b) Rate of interest charged by PSBs as on 31.12.2015 on educational loans is Annexed.

(c) Position of Non Performing Assets (NPA) of Banks for the last three years and current year upto 31.12.2015 is given as under:

Rs in Crore

As on Education Loan Outstanding NPA Position %age of NPA

31.03.13 48382.00 2615.00 5.40

31.03.14 59834.00 3439.00 5.75

31.03.15 63651.00 3443.00 5.41

31.12.15 66858.00 3934.00 5.88

Source: RBI

(d) The Model Education Loan Scheme is modified from time to time by Indian Banks' Association (IBA) keeping in view the needs of the students. The last such revision was made in August, 2015.

In order to facilitate easy processing and disbursal of loans, Government has launched a web-based portal viz. Vidya Lakshmi Portal. Students can view, apply and track the education loan applications online.

Annexure to reply of Lok Sabha Unstarred Question No. 2347 for 11.03.2016

Interest Rates on Education Loans as on 31st December, 2015

Name of the Bank Interest Rate (%)

Upto ? 4 lac Above ? 4 lac & upto ? 7.5 lac Above ? 7.5 lac

% % %

1 Allahabad Bank 11.70

2 Andhra Bank 12.50 12.50 11.25
 3 Bank of Baroda 12.15 12.15 11.40
 4 Bank of India 12.70 12.70 12.20
 5 Bank of Maharashtra 12.20 11.70 10.95
 6 Bhartiya Mahila Bank 10.95 - 11.95 10.25 - 12.45 10.25 - 12.20
 7 Canara Bank 11.65 11.65 11.25
 8 Central Bank of India 11.70 11.70 11.70
 9 Corporation Bank 11.40 12.40 11.90
 10 Dena Bank 11.25 11.25 11.25
 11 IDBI Bank 10.75 ₹ 10.75 ₹ 10.75 ₹
 11.75 ₹ 11.75 ₹ 11.75 ₹
 10.75 ₹ 10.75 ₹ 10.75 ₹
 12 Indian Bank 11.95 11.95 11.95
 13 Indian Overseas Bank 11.70 12.95 11.70
 14 Oriental Bank of Commerce 12.20 11.45 - 12.70 11.45
 15 Punjab & Sind Bank 12.75 13.00 12.25
 16 Punjab National Bank 11.60 12.60 12.10
 17 Syndicate Bank 11.20 11.45 12.45
 18 UCO Bank 12.20 12.20 11.95
 19 Union Bank of India 12.65 ₹ 12.40 ₹ 11.65 ₹
 12.15 ₹ 11.90 ₹ 11.15 ₹
 20 United Bank of India 13.00 ? & ₹ 13.25 ? & ₹ 11.75 ? & ₹
 21 Vijaya Bank 11.15 11.65 11.15
 22 State Bank of India 11.30 11.30 11.00
 23 State Bank of Bikaner & Jaipur 12.70 12.70 12.70
 24 State Bank of Hyderabad. 12.25 12.75 12.75
 25 State Bank of Mysore 12.40 12.40 11.40
 26 State Bank of Patiala 12.40 12.40 11.40
 27 State Bank of Travancore 13.80 12.80 11.80

Note:

₹ Interest rate for male students ₹ Interest rate for female students

₹ 0.5% concession for girl students ? Interest rate floating

₹ non-vocational courses ₹ non-vocational courses

₹ Vocation courses